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Brownfield redevelopment tool reinstated by Allen law

LANSING – Legislation designed to improve Michigan’s economic climate was signed into law today, announced state Sen. Jason Allen, R-Traverse City, sponsor of the bill.

Senate Bill 482, part of the Republican New Economy plan, amends the Brownfield Redevelopment Financing Act to clarify that interest accrued on a private loan for Brownfield redevelopment is an eligible expense for reimbursement with captured taxes.

“I am glad to see such an important piece of legislation signed into law,” said Allen, chair of the Senate Committee on Commerce and Labor. “This was a major victory in the redevelopment of contaminated or functionally obsolete buildings and will greatly assist in restoring the economic vibrancy of our cities.”

Earlier this year, State Treasurer Jay Rising declared that the Brownfield Redevelopment Financing Act does not allow interest to be paid on private sector loans used to finance Brownfield redevelopment, even though the previous state treasurer allowed these costs and statute does not prohibit payment of these interest costs.

“Without this law, Brownfield redevelopment in the state of Michigan would be seriously impaired, having a negative impact on our economy,” Allen said. “We need to turn our economy around and create more jobs for Michigan workers. One of the best ways to do that is to ensure that our Brownfield Redevelopment Program remains successful in helping make abandoned properties productive again.”

SB 482 has been assigned Public Act number 101 of 2005.

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